

Meeting Summary

The following is a summary of issues discussed at the DHCD Stat on Thursday, October 24, 2013. Analysis is provided by StateStat and the Governor's Delivery Unit (GDU).

Metric Audit

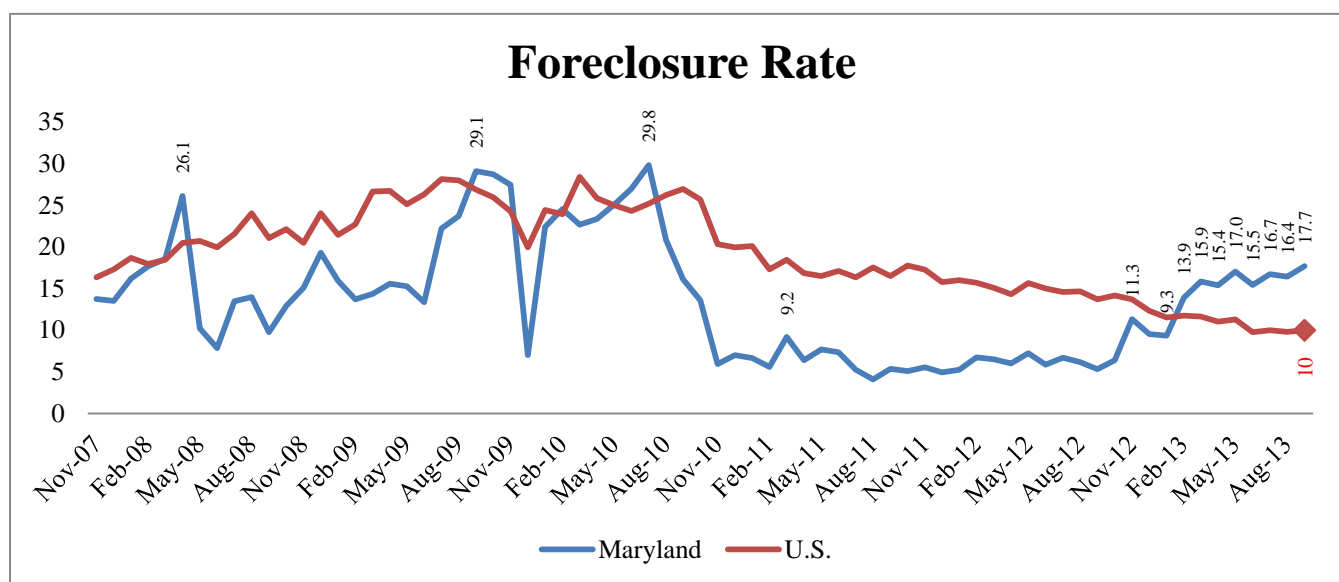
- On October 10th StateStat visited DHCD to carry out a metric audit. A sample of metrics were selected from the template by StateStat. DHCD was not informed ahead of time of the specific metrics to be audited. Six metrics were selected for the audit. Staff responsible for reporting each metric were asked to reproduce the metric from the most recent reporting period available. All six metrics were accurately reproduced. Details on the metrics selected and outcomes of the audit are provided in the table below. The metric, 'Section 8 tenant complains resolved in <= 30 days' was reproduced accurately however the name of the metric suggests complaints are resolved when in fact the metric is collecting when a plan of action is adopted, not when action is taken. **DHCD is going to review this metric and adjust their reporting system to resolve the issue.**

Metric	Division	Audit Results	Comments
Overtime Hours	Agency Wide	Metric Accurately Reproduced	DHCD is still waiting to make the switch to the MDTime system
HOPE Foreclosure Completed Cases	Neighborhood Revitalization	Metric Accurately Reproduced	Entities receiving DHCD funding for foreclosure prevention including those receiving AG settlement funds, enters data into the system monthly
MMP Loans Purchased	CDA [Single Family]	Metric Accurately Reproduced	All loans made in the MMP are recorded in AOD. Reports are then exported to Excel.
Main Street Maryland Jobs Created	Neighborhood Revitalization	Metric Accurately Reproduced	Main Street managers receive poerts from merchants and enters monthly data into the portal. Readjustments are not uncommon due to missed deadlines by Main Street Managers.
MHRP Dollars Committed	CDA [Special Loans]	Metric Accurately Reproduced	Reports are produced from AOD, printed and total amount manually calculated from detail sheets
Section 8 Tenant Complaints Resolved in 30 days	CDA [Multifamily Rental]	Metric Accurately Reproduced	Data is entered and reports run from HDS. Though reported as "Section 8 Tenant Complaints Resolved in 30 days" the detail from the system revealed the metric is actually capturing the number of complaints that have a plan of action developed to address the complaint.

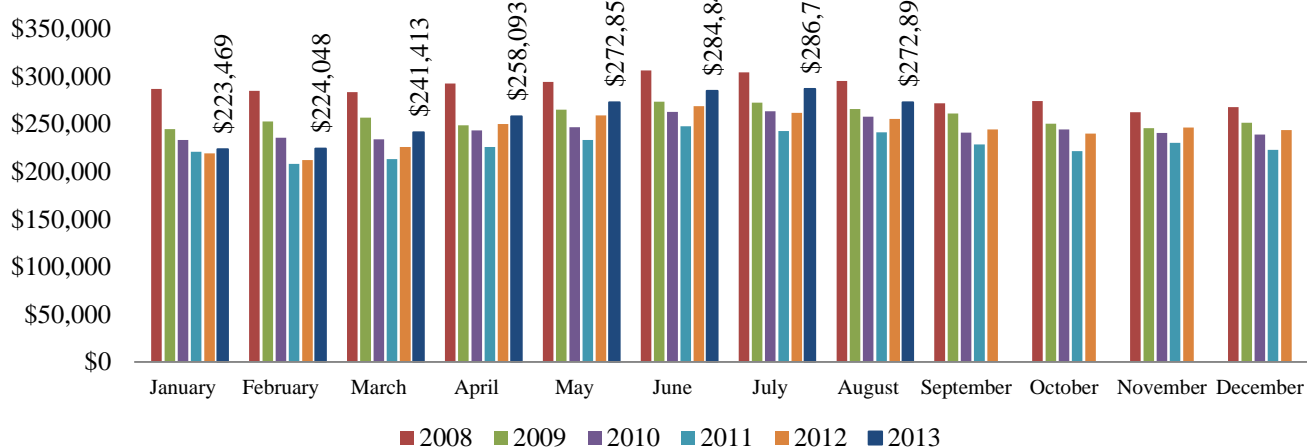
Foreclosures/Housing Market

- Housing Market Recovery Continues.** While Maryland had the fourth highest rate of foreclosures in the nation for the second straight month and foreclosure rates have remained elevated over the last 7 months, other housing market indicators such as home sales and price continue to show positive trends. DHCD maintains this is the resolution of the 2007 housing crisis, as a backlog of long-term delinquent loans move through the foreclosure pipeline. DHCD and DLLR have identified three factors that have largely contributed to the creation of the backlog; (1) The emergence of evidence of robo signing. In response the largest servicers significantly slowed their foreclosure activity, particularly in judicial states such as Maryland. (2) The National Servicing Settlement exacerbated delays as servicers negotiated new rules pursuant to the settlement and delayed action in order to ensure that any modifications or other non-foreclosure actions received “credit” under the settlement. (3) Implementation of Maryland’s mediation law may have also slowed servicer foreclosure activity.

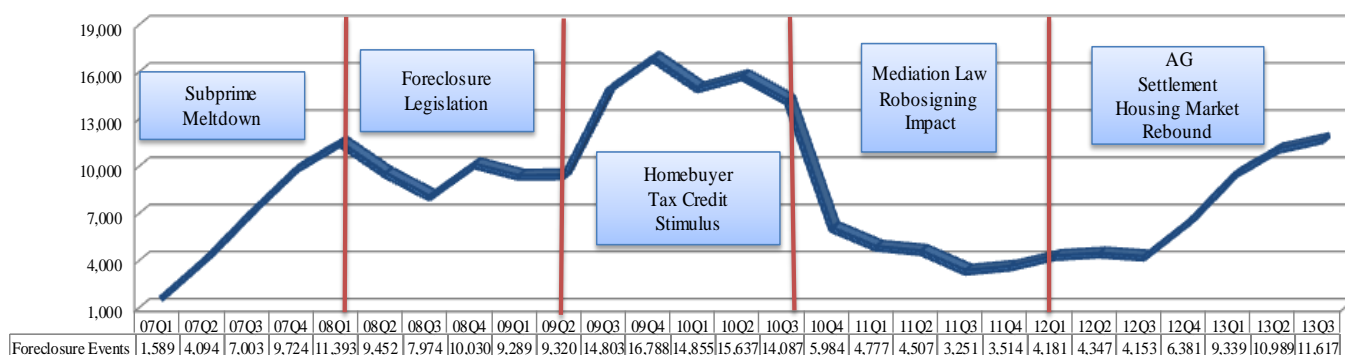
If the current rate of OTDs continues, the entire backlog of seriously delinquent loans will be depleted by this time next year. Indicators of a strong housing market include continued year over year home price increases for 19 consecutive months and for nearly a year the supply of homes has remained under 6 months indicating the market remains strong enough to sell homes that are listed and tight enough to absorb a steady inflow of foreclosures. Since the start of the housing crisis through today, Maryland ranks 15th in averting foreclosure over that period. The agency therefore views the recent increase as a positive development, given that servicers are continuing to move bad loans off their books and bring them to resolution. **DHCD emphasized the efforts Maryland has taken to prevent foreclosures. Maryland ranked 10th in the number of units of housing counseling delivered and 5th for legal assistance to borrowers. Data comparing foreclosures in Maryland and Virginia was provided by DHCD and it shows Virginia has foreclosed on twice as many homes compared to Maryland since 2007. DHCD reported that they anticipate a high number of OTDs in the month of October as lenders push hard to get foreclosures out before the holiday season.**



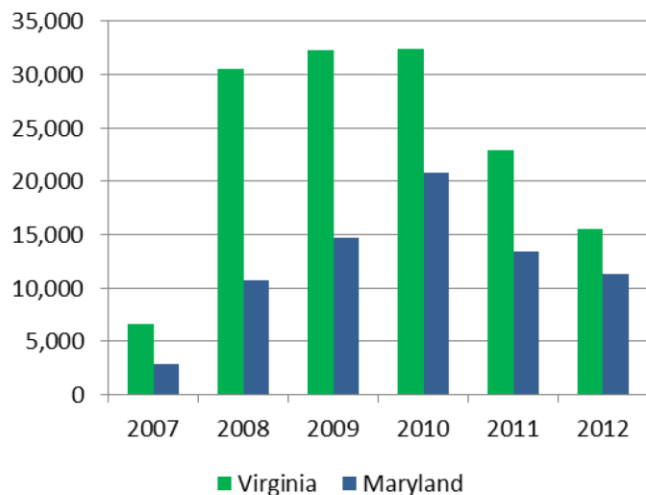
Maryland median home price has increased year-over-year for 31 consecutive months



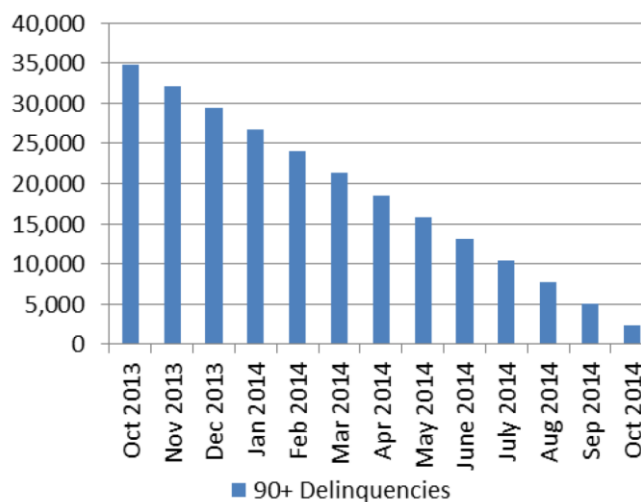
Total Foreclosure Activity in Maryland 2007:Q1-2013:Q3

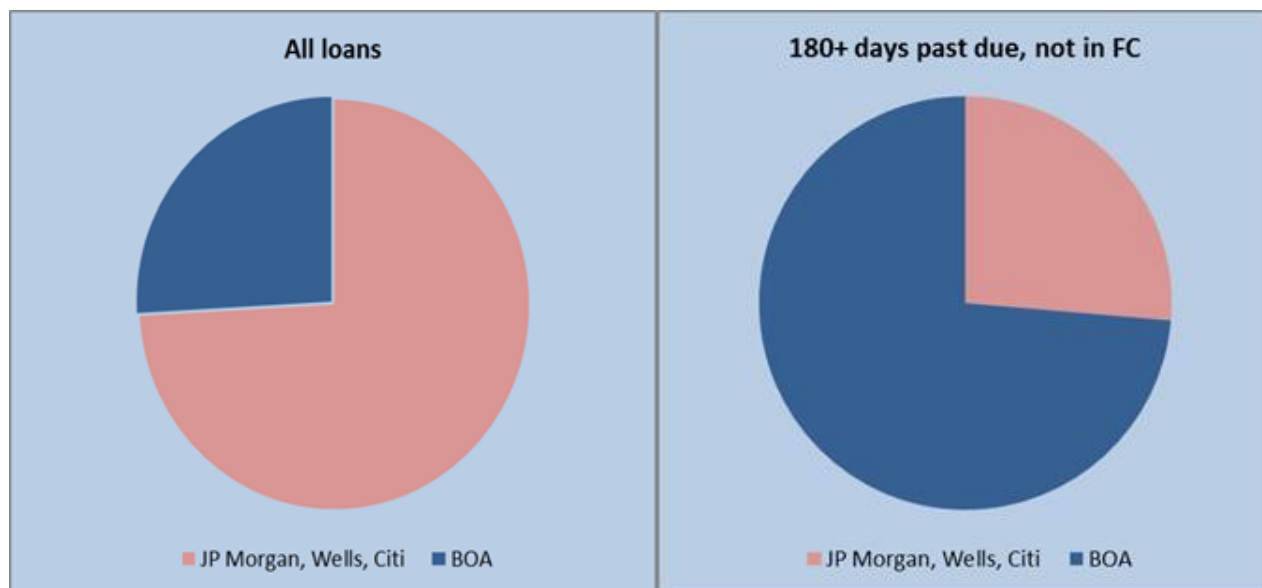


Total Homes Foreclosed Upon Annually – Realty Trac

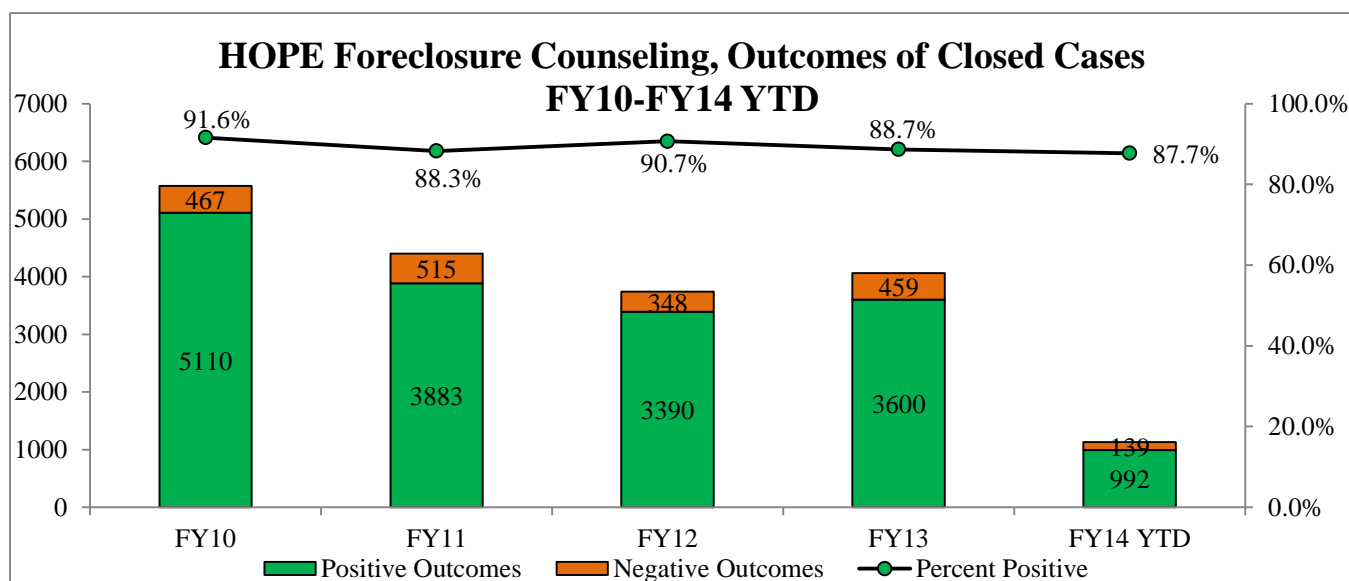


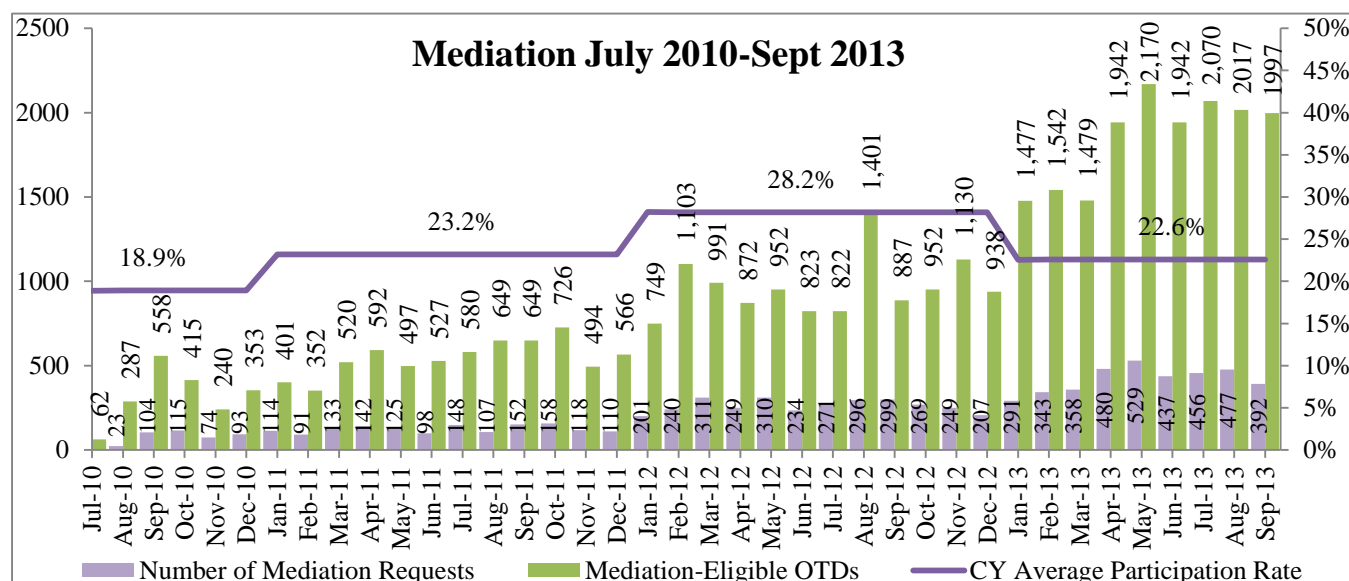
Depletion of Maryland's 90+ Day Delinquency Backlog





- DHCD continues to actively promote its HOPE (Home Owners Preserving Equity) hotline and the State's mediation program as these homeowners move through the foreclosure process, ensuring that all homeowners have a chance to seek a resolution other than foreclosure. Mediation eligible OTDs and mediation requests have increased with the recent increases in foreclosure rates. DHCD reported at the August stat that it expects the number of mediation requests to increase in the coming months due to an ongoing campaign advertising the availability of mediation services. The average participation rate for CY2013 is 22.6%, nearly five percentage points lower than in CY2012 (28.2%) and mediation requests dropped from 477 in August to 392 in September. An advertising surge for the HOPE Hotline started in September and DHCD should be able to begin reporting on the impact of the campaign in October but preliminary data is showing an increase in call volume. Mediation Eligible OTDs have increased along with the increase in foreclosure rate however some of these cases are more difficult cases to mediate, often having months or even years of delinquency which could be negatively impacting the participation rate.





Governor's Annual Housing Conference

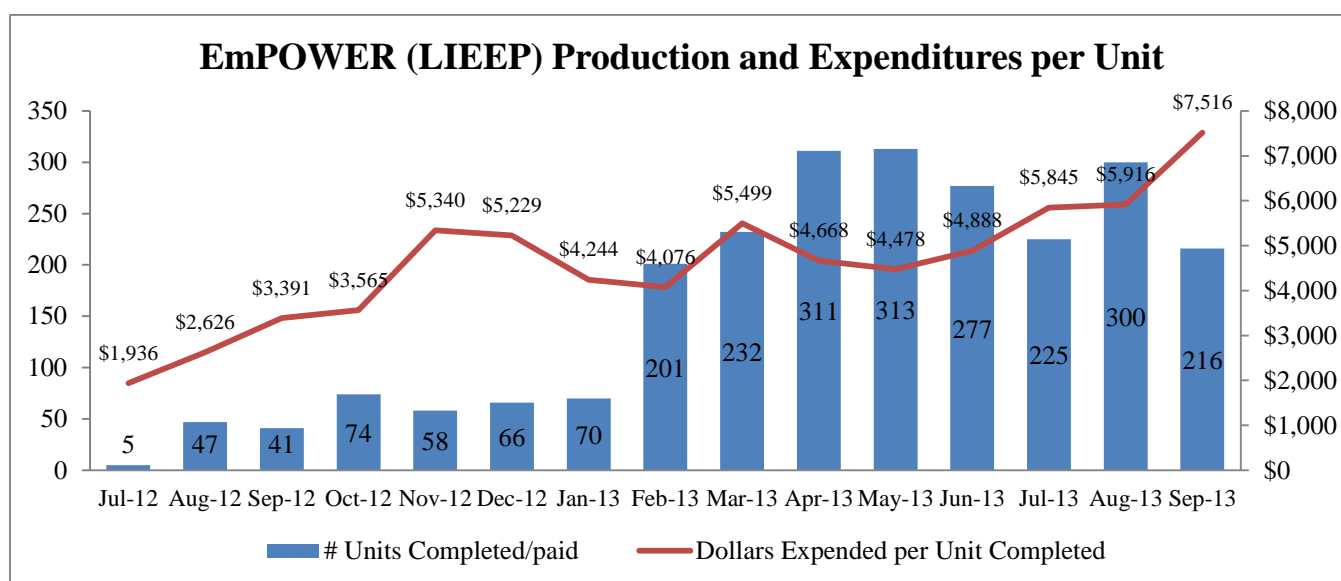
- The Governor's Annual Housing Conference is the largest and most comprehensive forum on affordable housing issues in Maryland, bringing together housing advocates, community development leaders, homebuilders, lenders and lawmakers. Notably, the CEO of Boston Community Capital, Elyse Cherry announced that they will make Maryland the first state in its nationwide expansion of the Stabilizing Urban Neighborhoods Initiative (SUN). SUN is an innovative program that acquires foreclosed homes and sells them back to their former owners under more affordable loan terms. **The Baltimore based SUN Initiative is budgeted for \$35 million which will provide assistance for approximately 150 households facing foreclosure.**

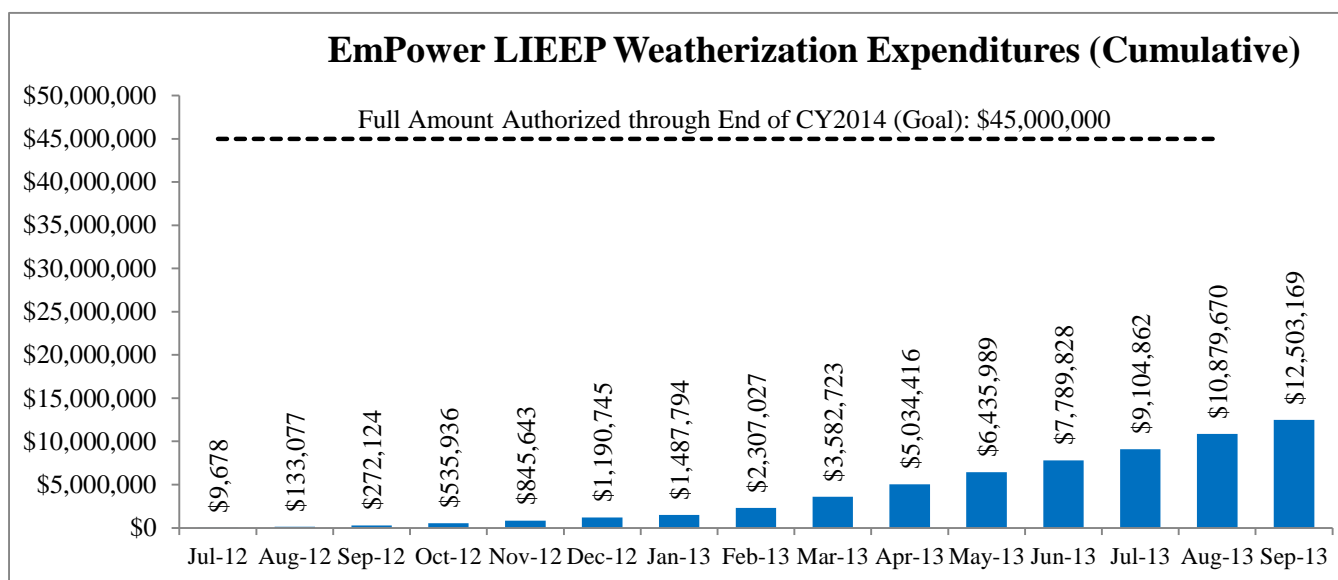
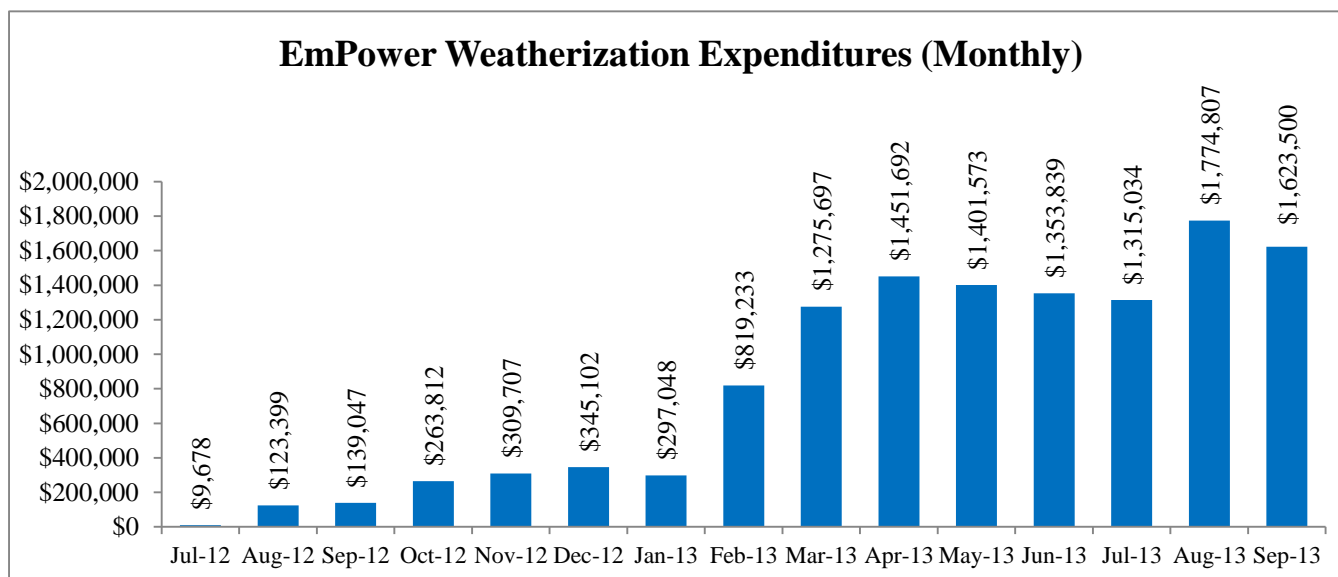
Low Income Energy Efficiency Programs

- Energy Savings from EmPower Program.** DHCD has recently added quarterly energy savings (MWhs) and monthly expenditure metrics to its StateStat template to track progress on its EmPower Low Income Energy Efficiency Program (LIEEP) and Multifamily Energy Efficiency and Housing Affordability program (MEEHA). LIEEP helps low income households with installation of energy conservation materials in their homes at no charge. The improvements aim to reduce energy use as well as low monthly utility bills. MEEHA promotes energy efficiency and affordability in the State's multifamily rental housing developments for low and moderate income households.

Energy Efficient Summary LIEEP/MEEHA	CY2013				CY2013 to Date
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
Multifamily					
\$ Projects closed	\$ 44,588	\$ -	\$ -	\$ -	\$ 44,588
# Units closed	192	0	0	0	192
# Units completed	0	0	0	0	0
# Annualized MWh savings	0	0	0	0	0
Singlefamily					
\$ Projects expended	\$2,391,978	\$ 4,207,105	\$ -	\$ -	\$ 6,599,083
# Units completed	503	901	0	0	1404
# Annualized MWh savings	2809	4061	0	0	6870
Annualized MWh Savings/Unit	5.58	4.51			4.89

- LIEEP Increase in Expenditures per Unit, Decrease in Units Completed.** After an increase of 75 additional units completed/paid in August, production dropped by 84 units in September to a 6 month low of 216. Despite the large drop in production, expenditures experienced only a modest reduction in September. This was due to an increase of \$1,600 expended per unit completed/paid. Expenditure per unit has been increasing since May 2013 from \$4,478 to \$7,516 in September, the highest per unit expenditure rate the program has seen. DHCD's EmPower LIEEP expenditures reached a program high in August. The \$1.6 million spent on weatherizing units in September brought the total to \$12.5 million, or 27.8 percent of the \$45 million the agency is authorized to spend through December 2014. **DHCD reported the increase in per unit expenditures is due in part to increased heating system and appliance replacements.**





- Agency Conducting Quality Assurance on Select Units.** The percentage of EmPower units which were rated poor in quality assurance inspections increased sharply in June, July and August. The percentage improved in September with only 2% of EmPower units rated poor. September also had the highest number of inspections in the calendar year with 46. DHCD reported that Prince George's County DHCD (PGC) is consistently submitting jobs that are rated poor. PGC Weatherization Assistance Program (WAP) management is investigating the problem and will be taking disciplinary action. Because of losses to key personnel, PGC does not currently have the staff to be compliant and will be forced to rebuild their WAP department. DHCD is suspending the PGC weatherization operations until the situation is resolved. **DHCD has asked PGC to submit a plan for getting their program back into compliance. The plan will need to be approved by Maryland DHCD before PGC DHCD will be allowed to resume the operation of EmPower.**

Contractors with Poor Quality Assurance Ratings				
	CARE	Diversified	Efficient Home	Prince George's Co. DHCD
July	1	2	1	1
August		1		3
September				1
Q1 Total	1	3	1	5

